

ROC Pref III Corp. Announcement

TORONTO - June 18, 2008

ROC Pref III Corp. announces that its Preferred Shares have been placed on CreditWatch with negative implications. The move comes as a result several downgrades of companies held in the Reference Portfolio including the monoline insurance companies and Residential Capital (“ResCap”) during the past several weeks. The rating on the Preferred Shares reflects the rating on the fixed-rate managed credit linked note issued by The Toronto-Dominion Bank (the “CLN”). The return on the CLN, and thus on the Preferred Shares, is linked to the credit performance of a portfolio of 125 companies (the "Reference Portfolio").

The Reference Portfolio is actively managed by Connor, Clark & Lunn Investment Management Ltd. (the “Investment Manager”). The Investment Manager commented that “we remain confident in the overall portfolio credit quality. The vast majority of the holdings are performing well. Challenges in the US housing and mortgage market have caused a number of the holdings in the Reference Portfolio to be downgraded. Recently, S&P classified ResCap’s debt restructuring as a “selective default” until they do further analysis. A selective default is not a default from the perspective of the Reference Portfolio and the CLN. If S&P restores ResCap’s rating to CCC, it may result in the removal of the Preferred Shares from CreditWatch.”

The Preferred Shares benefit from the protection of a first loss tranche equal to 3.35% of the Reference Portfolio and from a fixed recovery rate of 40% on any defaults. As a result, ROC Pref III Corp. will be able to sustain 7 defaults, which is approximately 2.5 times the average default rate and 1.3 times the worst default rate experienced in a portfolio of the same credit quality as the Reference Portfolio in any 3.8 year period since 1981. ROC Pref III Corp.’s Preferred Shares pay a fixed quarterly coupon of 4.40% on their \$25.00 principal value and will mature on March 22, 2012. The Standard & Poor’s rating addresses the likelihood of full payment of interest and payment of \$25.00 principal value per Preferred Share on the maturity date.

The Preferred Shares are listed for trading on the Toronto Stock Exchange under the symbol RPB.PR.A.

- 30 -

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